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SUBJECT: FEDERAL ELECTION: LIBERALS LIKELY TO RETAIN HOLD ON ATLANTIC CANADA

REF: HALIFAX 101

SUMMARY

1. Despite several close races, overall there appears to be little excitement surrounding the federal election campaign in Atlantic Canada: voters appear to be headed toward re-electing a majority of Liberals in the region's 32 ridings. Key factors are a general mistrust of the newly configured Conservative party and a relatively weak and ineffective New Democratic Party. Regional political observers and pollsters say there will likely be few surprises or major changes in seat distribution in the Atlantic provinces. END SUMMARY

PREDICTIONS OF A LIBERAL WIN IN THE REGION

2. With less than two weeks to go in the federal election campaign, it appears that Atlantic Canadians will re-elect a majority of Liberal MPs in the region's 32 ridings. This finding of a major regional polling company which conducted a survey in the first part of the campaign seems to have been borne out in subsequent weeks. In releasing their results on June 8, the pollsters said that among Atlantic Canadian voters who are decided or leaning towards a particular party, the Liberals had 45 percent support, the Conservatives 27 percent and the New Democrats 19 percent. Should this sentiment prevail on June 28, it will mean little change in the pre-election distribution of seats. Before dissolution of Parliament the Liberals held 19 of the 32 seats, the Conservatives 8 and the NDP 4. The remaining seat was held by an independent, a former Tory now running as a Liberal.

THE LIBERALS VS. CONSERVATIVES: THE FEAR FACTOR

3. Election watchers are quick to point out that the Atlantic Liberals' wide lead over their rivals is not due to a ringing endorsement for "L'Equipe Martin/The Martin Team." In fact, there is much the same anti-Liberal sentiment resonating here as elsewhere in the country. Issues such as the sponsorship scandal, cuts to health care spending and the cost of the federal gun registry are all featuring prominently on the campaign trail here. The difference is that Liberal candidates are being saved by the region's apparent reluctance to embrace leader Steven Harper and his new Conservative Party. Atlantic Canadians are quick to point out that they are having a hard time believing that the new Conservative agenda is drastically different from Harper's old Alliance party platform, particularly after comments that Harper and his election team have made on economic development policy, health care and other social programs. In New Brunswick, Canada's only officially bilingual province where francophones make up one-third of the population, Liberal candidates are also cashing in on the perception that the election of a Conservative government could spell the erosion if not the demise of federal bilingualism policy.

4. One of our Liberal contacts, who in March had seemed reasonably confident that a late-June election would bring Paul Martin back to power at the head of a majority government, told CG recently: "All I am sure of is that there will be a minority government; but I don't know who will be heading it."

THE NDP - STILL SEARCHING FOR A BREAKTHROUGH

5. Another interesting aspect of the campaign is the fate of the New Democratic Party in Atlantic Canada. With the polls confirming the third place finish for the NDP, it seems certain that the party will not be breaking any new ground in this campaign. Despite the party's success on the provincial side in Nova Scotia, NDP strategists admit that they are still not well organized elsewhere in the region. Also, commentators remark that new national leader Jack Layton still sees the four Atlantic provinces as unfamiliar territory, and has been largely unsuccessful in moving support over to the NDP. One party MLA told CG that this election should have been spectacularly successful for the NDP: the Liberals were tainted by scandal and the Conservatives were "scary" -- ideal conditions for a protest vote for the NDP. He bemoaned the party's inability to gain any traction in the region, and said he thought they would hold their existing seats but probably not gain any despite what should have been optimal conditions.

ISSUES - TRADITIONAL THEMES, BUT A FEW SURPRISES

16. Issues playing out in the campaign are still the perennial favorites such as such problems relating to the region's relatively weak economy, federal funding for health care, and money for roads and municipal infrastructure. However, there have been two significant regional issues which have emerged onto the national stage: calls for an extension of Canada's 200-mile limit as a means to curb illegal foreign fishing off Newfoundland-Labrador and new deals for Newfoundland-Labrador and Nova Scotia on revenue sharing from offshore oil and gas resources. Unfortunately for the Liberals neither issue has played out particularly well for them. On the fishing issue, Nova Scotia cabinet minister Geoff Regan and his Newfoundland counterpart John Efford have been vague in their explanations of just how a re-elected Martin government would handle fishery protection, leading to the perception that perhaps it will fall by the wayside after June 28. On offshore revenues, Prime Minister Martin came under heavy criticism from Conservative candidates by being the last of the three national party leaders to propose ending the current fiscal regime which sees the federal government "claw back" the majority of the offshore revenue by reducing federal equalization payments. Conservative leader Harper and NDP chief Layton both promised to revamp the revenue structure weeks before Mr. Martin finally announced his intention to do the same.

NO SHORTAGE OF INTERESTING RACES

17. Interesting races continue to be the Kings-Hants riding in Nova Scotia where former Progressive Conservative MP Scott Brison made his much publicized jump to the Liberal camp. In New Brunswick, Minister of State for Infrastructure Andy Scott is garnering much attention in his Fredericton riding as he is fighting to hold onto his seat in the face of tough Conservative opponent. On Prince Edward Island, the main attraction there is the race in the Cardigan riding where Liberal incumbent Laurence MacAulay is starting to look like he might lose to his Conservative challenger, the former chief of staff to Conservative Premier Pat Binns.

COMMENT: A STATUS QUO RESULT?

18. But outside of these ridings and a handful of others where there is some tough trench warfare going on, there appears to be little excitement generated here as the campaign moves into the homestretch. Several politicians with whom we have spoken note that voter apathy seems much higher this year than in the past; they fret that turnout will be low. In any case, Atlantic Canadians appear to have made up their minds in favor of the status quo. As one more cynical commentator remarked: if that's the case, then that also means that "the Liberals will still be sleazy, the Reform (Conservatives) will still sound like the lunatic fringe and the NDP will still be clueless." If the region does vote for little or no change, it will be interesting to see if Atlantic Canadians might be voting against an anti-Liberal tide that could be flowing across other parts of the country. END COMMENT

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